

23 December 1958

MEMORANDUM FOR: DDI

SUBJECT : Planning Board Wednesday Morning

1. Would appreciate a few notes on NSC discussion re Iraq, since I took a fairly active part in PB discussion.

2. Re 5410/1 on War Objectives, GG is determined to put discussion paper up to NSC in order to force President to rescind 5410 or direct a new paper. PB hassle over this represented a new low. Personally, I think State is about as fuzzy as JCS. If we must do even a discussion paper we should turn the job over to a sensible small group which could properly ventilate and present the extremely complex issues involved.

3. The Yugoslavia OCB Report creates no problems. Fortunately Khrushchev's latest break with Tito removes the need to defend again (for the tenth time) the virtues of promoting Titoism.

4. Re Basic Policy revision, State sees no use in rewriting the paper. Furnas tells me they fear they'd get nowhere and end up with the same old bromides. I'm more naively willing to do battle, but to me the way one usually gets things changed in government is by constantly chipping away at them.

State's paper asks some sensible questions which would be worth discussing. Why not propose that PB seek to reach a consensus on the answers to a list of such questions and then, on the basis of these, determine what revisions in 5810/1 are desirable?

State leaves out one question that to me goes to the budgetary core of the problem:

In the light of the continued forced draft growth in Soviet power, must not the US intensify its efforts to promote a rate of economic growth adequate to permit higher security outlays and remove the constant budgetary pinch.

However trite the above it is still the gut issue to me. We must abandon the negativist philosophy of seeking primarily to cut the coat to fit the cloth and concentrate on producing enough cloth to go around. As

the Rockefeller, NPA, Twentieth Century, etc., etc. studies have proved ad nauseam even a 1% increase in GNP formation would permit: (1) a \$100 billion budget; (2) no increase in tax rates; (3) a balanced budget; and (4) prosperity. The thrust of 5810/1 (paragraph 43), i.e. we must cut back wherever possible lest we bankrupt ourselves, makes me ill.

5. We have promised to complete NIE's on World Situation and Implications of Nuclear Plenty by end January as support for basic policy review.

6. Joyeux Noel!

orig - filed PB notes for 24 files

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